

NSC BRIEFING

1 March 1957

ESTIMATE OF THE WORLD SITUATION

I. Principal factor is change.

A. Although deterrents to general war have increased through the increase of nuclear power on both sides, the present unstable situation has also increased the opportunities for miscalculations which could lead to general war.

II. There has been a major upheaval in the Communist world.

A. Through de-Stalinization, forces have been unleashed with which Soviet leaders will have to struggle for some time.

1. In USSR--intellectual discontent, but as yet no serious threat to regime.
2. In Satellites--USSR will try to re-establish control in Poland and prevent any relaxation in the other satellites, but disaffection and tension will remain. Soviet-Yugoslav relations have again deteriorated and now resemble those of a few years ago.

3. In Western countries--Communist parties are torn by dissension and weakened by defections.

B. Communist world weaker, but no signs of collapse.

1. USSR militarily strong and industrially highly developed in fields relating to national defense.
2. Politically, Soviet leaders cannot safely try to go back to Stalinism.
3. Despite the USSR's partial reversal of a policy of liberalization internally, USSR is likely to continue

- C. German reunification. Any change in Soviet policy appears unlikely at an early date.

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III. The Western Alliance has been weakened.

- A. Even before Suez affair, the relaxation of cold-war tensions and hot-war fears had taken some of urgency out of the NATO alliance. There was a widespread urge to reduce defense costs and, on the part of France, a dispersal of forces to Africa.
- B. The relative power position of Western Europe is declining. The long-range implications of the NATO alliance are being reconsidered.
1. Europeans are anxious for US protection, but fearful of being drawn into a US-Soviet conflict.

IV. The underdeveloped peoples have gained a new leverage.

- A. With the entry of the USSR into the arena, the underdeveloped peoples have an opportunity to engage in the dangerous game of playing off the two great powers against each other. They also have gained the UN as a forum.
- B. Middle East.
1. USSR is exploiting Arab nationalism, rather than bidding for direct control for the time being. It seeks to build up Nasr as symbol of anti-Western nationalism.

2. The success of Nasser has encouraged extreme nationalists throughout the Arab world. Moderates in the Arab countries are alarmed but have not joined together in any effective opposition, in part because of the internal pressures of nationalism.
 3. Stability depends upon emergence of moderate leaders who are nationalist, courageous, able to satisfy popular aspirations, and willing to show a reasonable regard for Western economic interests. Few appearing.
- C. In Far East, Chinese Communist strength and prestige growing.
1. Communist regime firmly established and making steady progress in domestic programs. GNP expanding at average annual rate of 8 percent, comparable to Japan's, and above that of India; socialization of all sectors of economy nearly complete. Economic difficulties could develop from adverse peasant reactions to collectivization and from resources shortages, but regime probably able support GNP growth at average rate of 7 percent over next 5 years.
 2. Chicom regime likely continue "peaceful" pose over next few years. Fears US reaction to aggression. Desires build-up economy and armed strength. Period of peace lessens dependence on USSR, provides opportunities to extend influence by political, psychological, and economic means.

3. Communist China playing more active role in Ebc affairs.

Bargaining power with USSR increased as result its role in Polish and Hungarian crises. Continues place heavy emphasis on Bloc solidarity and not likely push own interests to point of risking split with USSR.

4. Growing influence and prestige of Communist China most

significant trend in Asia. Asians generally conscious of CHICOM military strength as a result of Korea, and many aware of CHICOM support for armed rebellions (Indo-China, Malaya). Admiration felt for domestic accomplishments and interest in CHICOM experience in dealing with problem economic development. Skillful CHICOM propaganda seeks to identify Communist China with anti-colonial, anti-capitalist sentiments.

This appeals to overseas Chinese. Most Asian leaders assume Communist regime here to stay and desire to establish and maintain friendly relations and trade with Peiping.

D. Elsewhere.

1. Approaching a crisis in Algeria. Sooner or later French must grant virtual independence. Moderation of Tunisian and Moroccan governments threatened by their ideological and material involvement in the Algerian conflict.

2. In Black Africa, still some chance for orderly development, but opposition to colonial status is growing dramatically.

3. Latin America is a relatively bright spot, compared with many other areas. There are troubled areas (Bolivia, Cuba, Haiti), but unlikely to pose serious challenge to the US special relationship with Latin American countries.

V. Danger of war.

- A. USSR unlikely deliberately to initiate general war. Soviet leaders would assume grave risk of war only if they thought some action of ours threatened their survival.
- B. Danger is involved in the instability in Eastern Europe--especially if there were uprisings in Poland or East Germany.
- C. Chinese Communists are unlikely to try anything in Far East so long as they believe it would involve serious risk of war with US.
- D. Elsewhere, including Middle East, USSR will continue to try to expand influence, particularly in Egypt and Syria, but not at serious risk of war with US.